



LINDA S. ADAMS
SECRETARY FOR ENVIRONMENTAL
PROTECTION

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD



ARNOLD SCHWARZENEGGER
GOVERNOR

1001 I STREET, SACRAMENTO, CALIFORNIA 95814 • P.O. BOX 4025, SACRAMENTO, CALIFORNIA 95812-4025
(916) 341-6000 • WWW.CIWMB.CA.GOV

MARGO REID BROWN
CHAIR
MBROWN@CIWMB.CA.GOV
(916) 341-6051

WESLEY CHESBRO
WCHESBRO@CIWMB.CA.GOV
(916) 341-6039

ROSALIE MULE
RMULE@CIWMB.CA.GOV
(916) 341-6016

CHERYL PEACE
CPEACE@CIWMB.CA.GOV
(916) 341-6010

GARY PETERSEN
GPETERSEN@CIWMB.CA.GOV
(916) 341-6035

September 22, 2008

Dennis Green, Chief
Sacramento County
Hazardous Materials Division
8475 Jackson Road, Suite 230
Sacramento, CA 95826

RE: FINAL AUDIT REPORT – TIRE ENFORCEMENT ASSISTANCE
GRANTS: TEA09-03-0012; TEA11-04-0010; AND TEA12-05-0035

Dear Mr. Green:

Enclosed is the final report on our audit of Sacramento County's Waste Tire Enforcement Assistance Grants TEA09-03-0012, TEA11-04-0010, and TEA12-05-0035, awarded for the periods June 30, 2004, through June 30, 2007. Our audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions.

CIWMB congratulates the County on the results of this audit. No findings resulted from this review of the County provided information. Although, this review was selective and any result cannot be applied with certainty to County's grant program as a whole, we believe that this audit report is reflective of County's proper grant administration. This final report is intended for your use only.

If you have any questions regarding this report, please contact George Mendoza, Audit Manager, at (916) 324-1358 or gmendoza@ciwmb.ca.gov.

Sincerely,

Susan Villa, Branch Manager
Fiscal Services Branch
California Integrated Waste Management Board

(Over)



Mr. Dennis Green, Chief
September 22, 2008
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Enclosure

cc: Elise Rothschild, Program Manager, Hazardous Materials Program, Sacramento County
Marie Woodin, Supervising Environmental Specialist, Sacramento County
Jim Lee, Branch Manager, Tire Facilities Operations and Evaluations Branch, Waste
Compliance and Mitigation Program, CIWMB
Barbara Strough, Supervisor, Tire Facilities North, CIWMB
Carl Coaxum, Auditor, Audits and Evaluations Unit, CIWMB
CIWMB Audits and Evaluations Unit File

A GRANT AUDIT

Sacramento County

Waste Tire Enforcement Assistance Grants

Final Audit Report

Grant TEA09-03-0012, TEA11-04-0010

And

TEA12-05-0035

**For the Periods June 30, 2004
through June 30, 2007**

**Prepared By:
California Integrated Waste Management Board
Audits and Evaluations Unit**

September 2008

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PREFACE

The California Integrated Waste Management Board awarded TEA09-03-0012, TEA11-04-0010, and TEA12-05-0035 Waste Tire Enforcement Assistance Grants to Sacramento County. These grant agreements were funded by the Tire Recycling Fund.

The grant agreements were as follows:

Grant Agreement	Amount	Audit Period
TEA09-03-0012	\$162,843.39	06/30/04 – 06/30/05
TEA11-04-0010	\$146,187.49	06/30/05 – 06/30/06
TEA12-05-0035	\$297,856.52	06/30/06 – 06/30/07

The objective of this audit was to determine Sacramento County's compliance with the grant agreement(s). The audit also assessed Sacramento County's compliance with fiscal and statutory requirements, as well as a review of internal controls.

This report is intended for the information and use of CIWMB and County's management. However, this report is a matter of public record and its distribution is not limited.

STAFF:

Carl Coaxum
Auditor

AUDITOR'S REPORT

Mr. Mark Leary, Executive Director
California Integrated Waste Management Board
1001 I Street, MS-25A
Sacramento, CA 95814

The Audits and Evaluations Unit conducted an audit of Sacramento County's (County) Waste Tire Enforcement Assistance Grants. Public Resources Code, Section 48657, requires California Integrated Waste Management Board (CIWMB) shall conduct a selective audit of entities to determine whether grants and recycling incentives are being paid out properly. This audit report meets this statutory requirement and is intended for the information and use of CIWMB and Sacramento County's management.

This audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions for:

- TEA09-03-0012, June 30, 2004 through June 30, 2005
- TEA11-04-0010, June 30, 2005 through June 30, 2006
- TEA12-05-0035, June 30, 2006 through June 30, 2007

To summarize the grant receipts and expenditures, prepared were Statements of Revenue and Expenditures for these agreements executed between CIWMB and County. These Statements were prepared from County's records and are the responsibility of the County's management. The audit responsibility is to provide management reassurance on the propriety of grant payments as represented by these Statements.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide reasonable assurance as to whether County is compliant with the requirements of the grant agreements. An audit includes examining, on a substantive and control test basis, evidence supporting sample amounts listed in the Statements and grant compliance disclosures.

As part of the audit, County did provide a management representation letter. This letter is to confirm County's representations provided to us explicitly or implicitly, indicate and document the continuing appropriateness of such representations, and reduce the possibility of misunderstanding concerning the matters that are the subject of the representations.

Compliance

The Statement represent fairly, in all material respects, the claimed and audited revenue and expenditures for grant agreements.

As part of obtaining reasonable assurance on the Statements, we performed tests of County's compliance with certain regulations and the grant agreement. The results of our tests disclosed compliance with the grant agreement requirements.

Management Controls

In planning and performing our audit, we considered Sacramento County's internal control over financial reporting in order to determine our auditing procedures on the Statement and not to provide assurance on the internal control over financial reporting.

This report is intended solely for the information and use of the CIWMB and County's management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Susan Villa, Branch Manager
Fiscal Services Branch
(916) 341-6092

September 16, 2008

STATEMENT OF REVENUE AND EXPENDITURES

Sacramento County
Waste Tire Assistance Grant TEA09-03-0012
For the Period June 30, 2004 through June 30, 2005

	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
Revenue:			
State Grant	<u>\$162,843.39</u>	<u>\$ 162,843.39</u>	<u>\$0.00</u>
Total Revenue	<u>\$162,843.39</u>	<u>\$ 162,843.39</u>	<u>\$0.00</u>
 Eligible Expenditures:			
Inspections	\$ 130,032.88	\$ 130,032.88	\$0.00
Surveillance	\$ 5,458.00	\$ 5,458.00	\$0.00
Enforcement	\$ 6,552.00	\$ 6,552.00	\$0.00
Education	\$0.00	\$0.00	\$0.00
Training	\$ 10,526.00	\$ 10,526.00	\$0.00
Reporting	\$ 3,360.00	\$ 3,360.00	\$0.00
Equipment Costs	\$ 1,215.59	\$ 1,215.59	\$0.00
Transportation Costs	\$ 5,698.92	\$ 5,698.92	\$0.00
Total Expenditures	<u>\$162,843.39</u>	<u>\$162,843.39</u>	<u>\$0.00</u>
 Amount Expenditures are Over Revenues	<u>\$0.00</u>	<u>\$0.00</u>	

The accompanying notes are an integral part of this statement.

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STATEMENT OF REVENUE AND EXPENDITURES

Sacramento County
Waste Tire Assistance Grant TEA11-04-0010
For the Period June 30, 2005 through June 30, 2006

	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
Revenue:			
State Grant	<u>\$ 146,187.49</u>	<u>\$ 146,187.49</u>	<u>\$0.00</u>
Total Revenue	<u>\$ 146,187.49</u>	<u>\$ 146,187.49</u>	<u>\$0.00</u>
 Eligible Expenditures:			
Inspections	\$ 96,790.68	\$ 96,790.68	\$0.00
Surveillance	\$ 1,813.40	\$ 1,813.40	\$0.00
Enforcement	\$ 220.50	\$ 220.50	\$0.00
Training	\$ 39,116.70	\$ 39,116.70	\$0.00
Reporting	\$ 2,116.80	\$ 2,116.80	\$0.00
Equipment	\$ 1,160.41	\$ 1,160.41	\$0.00
Transportation Costs	\$ 4,969.00	\$ 4,969.00	\$0.00
Total Expenditures	<u>\$ 146,187.49</u>	<u>\$ 146,187.49</u>	<u>\$0.00</u>
 Excess of Revenue over Expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	

The accompanying notes are an integral part of this statement.

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STATEMENT OF REVENUE AND EXPENDITURES

Sacramento County
Waste Tire Assistance Grant TEA12-05-0035
For the Period June 30, 2006 through June 30, 2007

	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
Revenue:			
State Grant	\$297,856.52	\$297,856.52	\$0.00
Total Revenue	<u>\$297,856.52</u>	<u>\$297,856.52</u>	<u>\$0.00</u>
 Eligible Expenditures:			
Inspections	\$217,562.60	\$217,562.60	\$0.00
Surveillance/Enforcement	\$7,169.00	\$7,169.00	\$0.00
Education	\$8,751.40	\$8,751.40	\$0.00
Training	\$24,254.84	\$24,254.84	\$0.00
Reporting	\$11,128.00	\$11,128.00	\$0.00
Equipment	\$5,490.05	\$5,490.05	\$0.00
Transportation Costs	\$8,157.43	\$8,157.43	\$0.00
Indirect (Misc) Costs	\$15,343.20	\$15,343.20	\$0.00
Adjustment*	\$0.00	\$0.00	\$0.00
Total Expenditures	<u>\$297,856.52</u>	<u>\$297,856.52</u>	<u>\$0.00</u>
 Amount Expenditures are Over Revenues	<u>\$0.00</u>	<u>\$0.00</u>	

The accompanying notes are an integral part of this statement.

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NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

**Sacramento County
Waste Tire Enforcement Assistance Grant
TEA09-03-0012, TEA11-04-0010 and TEA12-05-0035
For Audit Period of June 30, 2004 through June 30, 2007**

Note 1 Description of the Reporting Entity

Sacramento (County), a political subdivision of the State of California governed by an elected Board of Supervisors, exercises the powers specified by the Constitution and statutes of the State. The County's reporting entity includes all significant organizations, departments, and agencies over which the County's Board exercises oversight and budgeting responsibilities. The County's Environmental Management Department had general responsibility for these grant projects. The integrated waste management enforcement programs are primarily carried out through Local Enforcement Agencies and the California Integrated Waste Management Board acting/serving as the Waste Tire Enforcement Assistance (TEA).

Note 2 Program Information

The California Integrated Waste Management Board administers the California Solid Waste Disposal Regulatory Reform Act, which includes the disbursement of Waste Tire Enforcement Assistance Grants from the Tire Recycling Fund.

The Legislature enacted the California Solid Waste Disposal Regulatory Reform Act (Public Resources Code Sections 43200 – 43222 and 43230 – 43232). The TEA program awards grants to local enforcement agencies, which use the funds to implement waste tire collection and recycling programs. The intent of the grant funds is to enhance the LEA program by providing funds to acquire additional equipment, supplies, training, and technical support. Effectiveness of the program is measured by monitoring compliance of solid waste facilities and associated LEA programs.

Note 3 Descriptions of Waste Tire Enforcement Assistance Grants

The County received amounts of \$162,843.39 for TEA09-03-0012, \$146,187.49 for TEA11-04-0010 and \$297,856.52 for TEA12-05-0035 for solid waste local enforcement agencies within the County jurisdiction to investigate illegal tire activities, perform waste tire facilities inspections, and survey tire dealers, auto dismantlers, tire haulers, and other points of waste tire generation to ensure compliance with all applicable laws and regulations. The grant terms covered the overall period June 30, 2004 through June 30, 2007.

The County's primary goals for the Waste Tire Enforcement Assistance Grants were to provide requirements for the disposal and storage of waste tires. Sacramento County is responsible for the identification, investigation, and enforcement of waste tire generators, transporters, and facilities.

Note 4 Summary of Significant Accounting Policies

A. Basis of Presentation

The Statement presented in this report was prepared from the County's accounts and financial transactions. The Statement summarizes revenue and expenditures recorded by the County during the reporting periods referenced in Note 3. It is further noted that the County did not record the financial transactions in accordance with Grant Agreement – Exhibit B (Procedures and Requirements) TEA09-03-0012, TEA11-04-0010, and TEA12-05-0035, which contains guidance for the grant. Specifically, the personnel expenditures must be computed on actual time spent on Grant-related activities.

The Statement summarizes the County's transactions pertaining to TEA09-03-0012, TEA11-04-0010, and TEA12-05-0035. They are not intended to represent all of the County's financial activities.

B. Basis of Accounting

The County's accounts are maintained on the modified accrual basis and in accordance with the principles of fund accounting. Under the modified accrual basis, revenues are recorded as they become measurable and available, and expenditures are recorded at the time the liabilities are incurred.

Note 5 Compliance

During the performance of this audit, we observed that the County does govern its Waste Tire Enforcement Assistance Grant Program in accordance with the Terms and Conditions and Procedures and Requirements of the Grant Agreement.